

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 SEC-01 TRSE-00 JUSE-00 SS-15 L-03

INR-07 /044 W

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R 232123Z JUL 76

FM AMEMBASSY NASSAU

TO SECSTATE WASHDC 8434

C O N F I D E N T I A L NASSAU 1166

E.O. 11652: GDS

TAGS: CFED EFIN BF

SUBJ: SEC INVESTIGATION OF ICD

REF: NASSAU 1165

1. REFTEL PROMISED A PROPOSED COMMUNICATION TO GCOB TO CLARIFY ITS POSITION WITH REGARD TO PARTICIPATION OF ST. GEORGE AND PRICE-WATERHOUSE IN SEC INVESTIGATION.
2. PARA 3 BELOW CONTAINS A PROPOSED DRAFT LETTER FROM THE AMBASSADOR TO MINISTER ADDERLEY DESIGNED TO ACCOMPLISH THE DESIRED OBJECTIVE.
3. IN REVIEWING OUR SUGGESTED DRAFT, WOULD APPRECIATE WASHINGTON FOCUSING ON THE QUESTION OF WHETHER WE SOLELY WANT GCOB TO STATE FOR THE RECORD THAT IT INTERPOSES NO OBJECTION TO ST. GEORGE AND PRICE-WATERHOUSE COOPERATING WITH SEC OR ALTERNATIVELY WHETHER WE WANT TO BE SPECIFIC AS TO THE NATURE OF THE COOPERATION WHICH WE ARE SEEKING (E.G. TESTIMONY UNDER OATH, PROVISION OF CERTAIN SPECIFIC RECORDS, ETC.). NEEDLESS TO SAY, OUR INFORMATION AT THIS END AS TO THE EXACT NATURE OF THE PROBLEM IS INCOMPLETE. DRAFT LETTER FOLLOWS:

QUOTE: MY DEAR MR. MINISTER: THIS LETTER IS A FOLLOW UP TO OUR RECENT CONVERSATION DEALING WITH THE ICD INVESTIGATION. AS I INFORMED YOU AT THAT TIME, I HAVE RECEIVED WORD FROM
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THE DEPARTMENT OF STATE THAT THE SEC INVESTIGATION IS BEING

IMPEDED BY VIRTUE OF A LACK OF COOPERATION ON THE PART OF MR. ST. GEORGE AND PRICE-WATERHOUSE, THE ACCOUNTING FIRM ENGAGED BY ICD. BOTH MR. ST. GEORGE AND PRICE-WATERHOUSE HAVE ALLEGED TO THE SEC THAT THEY HAVE BEEN ADVISED NOT TO COOPERATE BY OFFICIALS OF THE GCOB.

I SHARE THE SKEPTICISM WHICH YOU EXPRESSED TO ME IN OUR CONVERSATION THAT ANY SUCH ADVICE HAS BEEN GIVEN BY OFFICIALS OF YOUR GOVERNMENT. I AM CONFIDENT THAT THE GOVERNMENT OF THE BAHAMAS WOULD LIKE TO SEE A THOROUGH INVESTIGATION COMPLETED AS EXPEDITIOUSLY AS POSSIBLE THUS LAYING TO REST ANY UNFOUNDED RUMORS WHICH MAY OTHERWISE ARISE. ACCORDINGLY, I WOULD APPRECIATE IT IF YOU CAN CONFIRM TO ME THAT NEITHER MR. ST. GEORGE NOR PRICE-WATERHOUSE HAVE BEEN PLACED UNDER ANY INHIBITIONS IN RESPONDING TO THE SEC INVESTIGATION. UNQUOTE. WEISS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAX LAW, INVESTIGATIONS, DIPLOMATIC NOTES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976NASSAU01166
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760286-1031
From: NASSAU
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760728/aaaaayil.tel
Line Count: 77
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 NASSAU 1165
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 12 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 JUL 2004 by saccheem>; APPROVED <21 OCT 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SEC INVESTIGATION OF ICD
TAGS: CFED, EFIN, BF, SEC, PRICE-WATERHOUSE, ICD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006